

In the Matter of:)
)
Business Meeting)
_____)

WEDNESDAY, MAY 19, 2010

10:00 A.M.

California Reporting, LLC
52 Longwood Drive, San Rafael, California 94901 (415) 457-4417

COMMISSIONERS PRESENT

Karen Douglas, Chair

James D. Boyd, Vice Chair

Jeffrey D. Byron

Anthony Eggert

Robert Weisenmiller

STAFF PRESENT

Claudia Chandler, Deputy Executive Director

Michael Levy, Chief Counsel

Jennifer Jennings, Public Advisor

Harriet Kallemeyn, Secretariat

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Interested Parties

Patrick Couch, California Conservation Corps (CCC)

Lane Atkins, Nissan Technical Center North America

Tom Turrentine, UC Davis Institute of Transportation Studies

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P R O C E E D I N G S

MAY 19, 2010 10:04 a.m.

CHAIRPERSON DOUGLAS: Good morning. Welcome to the California Energy Commission Business Meeting of May 12th, 2010.

Please join me in the Pledge.
(Whereupon, the Pledge of Allegiance was received in unison.)

CHAIRPERSON DOUGLAS: Before we begin, Commissioners, I wanted to briefly discuss what you will see is Item 25, which is in your packets, but not on the agenda. Item 25 is a proposed revision to the Guidelines for the Appliance Rebate Program. It was initially noticed for the May 12th Business Meeting, but did not actually get on the Business Meeting Agenda, so it was then noticed on May 13th for this business meeting. It was noticed seven days, rather than the required 10 days notice, and for that reason, if we are to add Item 25 to the Agenda, we will have to make a finding that there is a need for immediate action on the item. So, Commissioners, we will take up Item 25 after Item 17, we will ask staff to provide us with enough of the basic background on the item so that we could make a finding if we choose to do so on immediate need, and if we do make that finding, then we would be able to take up the item.

The only other comment I would like to make before

1 we begin, on Item 1, which is the Consent Calendar, is just
2 a disclosure, Item 1D would provide a membership fee to the
3 Western Interstate Energy Board for one year. The Western
4 Interstate Energy Board is made up of states, all of the
5 state members pay membership fees, and the Governor
6 designated me to be the State of California's Board member on
7 this Board. I have designated for the time being our former
8 Chief Counsel, Bill Chamberlain, to sit in that seat, or
9 exercise that seat for me, and so that is just a disclosure I
10 would like to make before we take the item up.

11 With that, Item 1. Consent Calendar.

12 COMMISSIONER BYRON: Madam Chair, I move approval
13 of the Consent Calendar.

14 VICE CHAIR BOYD: Second.

15 CHAIRPERSON DOUGLAS: All in favor?

16 (Ayes.)

17 That item is approved.

18 Now, Items 2 through 5 are Grants, ARRA Grants for
19 the SEP competitive solicitation. And what I wanted, before
20 we take up Items 2 through 5, is to acknowledge the progress
21 that the Commission has made to date in moving ARRA funding
22 forward through this competitive solicitation, which is the
23 largest solicitation that we have run for ARRA funding. With
24 these items, we will have considered nine of the 12 contracts
25 resulting from the SEP \$110 million solicitation for energy

1 efficiency retrofits. These three solicitations, which make
2 up this energy efficiency retrofit program, were designed to
3 develop and support energy efficiency programs that will last
4 long after ARRA funding has been exhausted by leveraging
5 other programs and funding and establishing sustainable
6 business models for these energy efficiency programs going
7 forward. They will help people get jobs, they will help
8 develop work opportunities throughout the diverse sections of
9 the state, and they will have very important environmental
10 benefits. So I am pleased to be in a position where we are
11 able to bring forward these items to the agenda and would
12 like to thank staff for its hard work in getting us to this
13 point.

14 Item 2. Association of Bay Area Governments.
15 Possible approval of Contract 400-09-021 for \$10.75 million
16 with the Association of Bay Area Governments to provide
17 comprehensive residential energy retrofits to 17,000 single
18 family and multifamily homes in the Bay Area and surrounding
19 communities. Mr. Lerman.

20 MR. LERMAN: Good morning, Commissioners. This
21 item is a request for approval of a \$10,750,000 contract
22 under the ARRA-SEP Program to provide retrofits to single
23 family and multifamily homes in the Bay Area. The prime
24 contractor is the Association of Bay Area Governments, who
25 will be subcontracting work to Contra Costa, Marin, San

1 Francisco, Santa Clara, San Mateo, and Solano Counties, as
2 well as the Alameda Waste Management Authority, and the
3 Sonoma County Transportation Authority. The program will use
4 an aggressive retrofit strategy that seeks to obtain a
5 minimum 20 percent energy savings, on average. Uses for SEP
6 funds include refining, marketing, and outreach strategies,
7 subsidizing homeowner rebates, and establishing contractor
8 scholarships for BPI and HERS trainings. The program also
9 seeks to utilize an extensive network of homeowner
10 incentives, base financing, and utility rebates to spur
11 program participation. Workforce development strategies
12 involve close coordination with local workforce and
13 [inaudible] [6:00] boards, utility training centers,
14 community college districts, and Built-it Green. Residential
15 training and certification will conform to the National Home
16 Performance with Energy Star Program Guidelines, Building
17 Institute Standards, and HERS 2 requirements. Marketing and
18 outreach messaging will promote Tier 3 Whole House retrofits.

19 The contractor estimates this program will have an
20 annual energy savings of 19 million kilowatt hours, and 1.9
21 million therms. Based on these contractor estimated energy
22 savings, this program is estimated to reduce greenhouse gas
23 emissions by over 20,000 tons of CO₂ annually.

24 CHAIRPERSON DOUGLAS: Thank you. Questions or
25 comments from Commissioners?

1 COMMISSIONER EGGERT: I will just make a couple of
2 quick comments, and I guess this relates to this project, as
3 well as the next three, and that is that I think these are
4 really excellent programs, in particular, something,
5 Commissioner Douglas, that you mentioned, is that these are
6 designed to persist beyond the end of ARRA funding, so these
7 are, as we see it, sort of foundational for a future where
8 California is really continuing to fund cost-effective energy
9 efficiency in both residential and commercial facilities. I
10 noted in this one, I do not know if you mentioned it in your
11 comments, but this one has a stated or a claimed leverage of
12 over \$180 million that will come in addition to our \$10
13 million, in terms of overall economic activities, so these
14 are highly leveraged programs with significant benefits in
15 terms of energy savings and greenhouse gas emissions
16 reductions. And I did note, I was just amazed, looking at
17 the contract that is contained between 70 and 80 individuals,
18 that are noted as key personnel from a wide variety of
19 different organizations, local government, local cities and
20 counties, just a tremendous team that is going to be involved
21 in this. So I guess I would like to move the item.

22 MR. LEVY: Before the item is moved, Chairman and
23 Commissioners, I believe staff counsel, Gabe Herrera, would
24 like to make some clarifications regarding CEQA.

25 CHAIRPERSON DOUGLAS: Go ahead, Mr. Herrera.

1 MR. HERRERA: Just a point of clarification. The
2 documents you have before you include a Contract Request Memo
3 from our Contracts Office, copies of that document have been
4 provided to the public. Those documents were provided in a
5 draft form, and there was enough time to revise them, but in
6 the CEQA section in the Contract Request Memo, this item is
7 identified as not being a project under CEQA, and I think it
8 is more accurate to indicate that it is a project, but that
9 it is categorically exempt. And so we have revised the
10 Contract Request Memo for the contract package to indicate it
11 is a project, and that it is categorically exempt for a
12 number of reasons, including 14 CFR Section 15301, dealing
13 with Repairs and Minor Alterations to Existing Public or
14 Private Structures, 14 CFR Section 15302, Replacement or
15 Construction of Existing Structures, Section 15306,
16 Information Collection, Section 15308, Actions to Protect the
17 Environment, Section 15309, Inspections, Section 15322,
18 dealing with Educational and Training Material, and lastly,
19 under the Common Sense Exemption, which is 14 CFR Section
20 15061(B)(iii). Thanks.

21 CHAIRPERSON DOUGLAS: Thanks, Mr. Herrera. You may
22 want to repeat your motion.

23 COMMISSIONER EGGERT: Yes, so with the updated
24 information, I would also still like to move the item.

25 VICE CHAIR BOYD: Well, I will second the item and

1 I appreciate, Commissioner, your added clarification and
2 comments on the item. I did not hear, and perhaps I missed
3 it, but I just want to make sure that this was vetted through
4 our Ad Hoc ARRA Committee, I assume, and I just think the
5 record should reflect that. So with those comments, I second
6 the motion.

7 CHAIRPERSON DOUGLAS: All in favor?

8 (Ayes.)

9 The item is approved.

10 COMMISSIONER BYRON: Madam Chair, a comment?

11 CHAIRPERSON DOUGLAS: Yes, please.

12 COMMISSIONER BYRON: You know, Mr. Lerman, Mr.

13 Pennington and Mr. Lerman came up and briefed me on this item
14 the other day, and I think my comments really apply to the
15 next four, but since my Commissioner was in such a hurry to
16 move and vote these items, comments are sometimes after the
17 items. So I just would like to thank you very much. I think
18 the staff is doing an extraordinary job of moving these
19 projects through, but I would just like to note that this is
20 an extraordinary time and we have discussed these kinds of
21 things before on this dais, but as Commissioner Eggert
22 pointed out, the number of people that are involved in this,
23 the amount of visibility that these kinds of projects are
24 getting, the cooperation that we have with our cities and
25 counties working on energy efficiency programs, this is

1 extraordinary that this Administration in Washington, D.C.
2 would turn economic disaster into an investment in energy
3 savings in this state and throughout this country. I really
4 expect this to move the needle and, in fact, I guess as we
5 discussed the other day, I hope to see a drop in the
6 Rosenfeld curve in future years, or that per capita energy
7 use curve as a result of this investment. So this is in the
8 form of a thanks, but it is also in the form of a question,
9 and I do not know if you are prepared to answer this today.
10 But we are definitely interested in how we characterize these
11 improvements, making sure we quantify this, and I know we are
12 going to do the measurement and the verification, but we
13 really want - I would be very interested to know, and I think
14 unfortunately it comes later and not earlier - how much
15 savings is associated with this? And how can we possibly
16 measure the amount of public involvement and awareness that
17 is going to come from this? So Mr. Lerman, I asked you to
18 stay there in case you wanted to make any final comments, but
19 it is really thanks, but also putting the staff on notice, we
20 are going to want to quantify all this, and we are going to
21 want to take full advantage of this. Mr. Lerman, did you
22 want to say anything? Oh, Mr. Pennington.

23 MR. PENNINGTON: You got me up here. Agreed.
24 Actually, this is going to have a massive effect on
25 California's ability to deliver retrofits in this sector and

1 in the following contracts in the commercial and municipal
2 sector. Related to the residential sector, the CPUC's
3 Strategic Plan created a goal of saving 40 percent of the
4 energy in every house in the State by 2020, and that is just
5 an off the charts level of goal; we are not anywhere close to
6 that with the status quo, so these contracts are going to
7 enable us to make a slope change here in progress that will
8 move towards that goal. And it is hugely important. And we
9 do need to be doing a good job of measuring the savings and
10 showing the benefits. So, agreed, and we are going to be
11 working on that.

12 COMMISSIONER BYRON: Yeah, it is an exciting time
13 right now, so I hope none of you are thinking about taking
14 early retirement as a result of all these proposals that are
15 being made about reducing salaries, because we need you.
16 Thank you.

17 CHAIRPERSON DOUGLAS: Well, thank you,
18 Commissioner. And thanks for bringing your attention back to
19 the big picture because we really are looking for a sloped
20 change and, as you say, we hope to see the impact of these
21 programs in our Rosenfeld Curve.

22 VICE CHAIR BOYD: I am wondering, Madam Chair, if
23 since Commissioner Byron mentioned metrics and measurement,
24 and what have you, if Ms. Chandler might just describe the
25 efforts that the Commission is going to, and will continue to

1 go to, to gather that data, those statistics, and the rather
2 substantial effort, and a very costly one, at that, to do
3 just that over this period of time that Commissioner Byron
4 mentioned. Sorry to put you on the spot, but it seemed like
5 a propitious moment to acknowledge that we are actually doing
6 something about it, and the Chairman and I, being the
7 Management Budget Committee, happen to be on top of this
8 issue, so I thought it was appropriate to share it with
9 others.

10 MS. CHANDLER: Thank you. Talking about one of my
11 favorite issues. And that is how we are ensuring that we do
12 two things related to the ARRA contracts, and I think that
13 you will find that this policy and practice will start
14 migrating across the rest of the program areas. The first
15 thing that we are doing is, because ARRA came with a huge
16 responsibility to prevent fraud, waste, and abuse, and to
17 ensure that there is transparency and accountability, so we
18 put into place a contract that you all approved about four or
19 five weeks ago, with an auditing firm. That is the kind of a
20 front end, as I see, in terms of this overall continuum, and
21 those folks will be looking at the readiness of the entities
22 to be able to take this money, they will be looking at their
23 practices in terms of sound auditing procedures. We are
24 talking about having them train our staff to look at kind of
25 invoice management, not that we do not do that right now, but

1 we are going to be handling volumes of money here, much
2 more, I mean, \$314 million over basically a two-year period,
3 than we have had before. It is kind of that "rat through the
4 python." So we have got this first contract in place, which
5 is more thinking forward about auditing, fraud, waste and
6 abuse transparency and accountability. Then, once we have
7 that set up, from the back end, you basically have a
8 Measurement Verification Evaluation Reporting contract that
9 you also approved about four to - well, in late January.
10 That contract, then, will go in and actually look at the
11 metrics: did the project get the greenhouse gas emission
12 reductions that they said they would achieve? Did they
13 reduce energy use? Did they generate the energy that they
14 said they were going to generate? So we will be validating
15 against what the project's results were proposed to be
16 projected against what actual is. And so that will be an
17 important opportunity for us to, you know, meet in the middle
18 here where we have got the auditing contract, and the MV&E
19 contract kind of bracketing these projects. Then, in
20 addition to that, once we have this information, we are not
21 going to just stop here because this information is going to
22 be important for us to validate the kind of measures that we
23 have, that we believed in, or to have energy savings
24 attributed to, and we are going to then be able to use that
25 in terms of future energy efficiency standards development

1 and future project development. So we believe that we have
2 kind of thought through this overall perspective. We will
3 also be taking, you know, there are other metrics like job
4 creation that needs to occur, I have mentioned greenhouse gas
5 emission reduction, and other emission reduction that we are
6 going to be looking at, energy generated and energy
7 efficiency achieved. So these are all going to be, for
8 people who love data, as I do, this is going to be just a
9 wealth of information for us to be able to really evaluate.
10 And when I said at the beginning of this that I think you
11 will begin to see some of these practices migrate over to
12 other parts of our organization, we are also looking at this
13 type of MV&E for other program areas. We do have somewhat
14 now in PIER in our Research and Development Programs, a
15 little bit differently because it is a research and
16 development program, but we have other projects like the AB
17 118 program, and other program areas that we are going to be
18 applying these same types of practices to.

19 COMMISSIONER EGGERT: I just wanted, and since it
20 had not been mentioned, I do love data, and this is also
21 going to be sort of fundamental to our work on AB 758, which
22 had not been previously mentioned, and some of the lessons
23 that will be coming out of this, and the data and the
24 analysis that will be coming out of this, will be
25 instrumental in the programs that are established under this

1 will be sort of foundational to that effort. And also just
2 what might be obvious, that this is also being watched by
3 other states and the Federal Government, so our success in
4 these programs is likely to have effects beyond our borders,
5 and the more we can sort of illuminate and sort of bright to
6 light the success of these programs, the more successful they
7 will be in other parts of the country.

8 MS. CHANDLER: Well, I would like to add to that,
9 when you mentioned other states, very few other states had
10 these kind of mechanisms in place, and so we shared our
11 Request for Proposals in our RFO with the other states
12 through the National Association of State Energy Offices, who
13 were very impressed that we had, as we sent this whole
14 program up, and ARRA did kind of blindsided us, but that staff
15 was forward thinking to be able to set these kinds of
16 foundational work in place, and I know our RFPs and our RFO
17 are being used by other states who realized, "Oh, yeah, I
18 have been given the arduous requirements of ARRA," and also,
19 given the amount of money that we are spending on energy
20 efficiency, many of us have waited all of our lives to have
21 these kinds of programs, that we need that type of data. So
22 I am going to get you a t-shirt, "I love data!"

23 CHAIRPERSON DOUGLAS: Thank you, Ms. Chandler.

24 Item 3. Quantum Energy Services & Technologies.
25 Possible approval of Contract 400-09-011 for \$4,852,181 with

1 Quantum Energy Services and Technologies, Inc., to provide
2 workforce development and create green jobs through energy
3 efficiency retrofits in municipal and commercial buildings in
4 Oakland, California. Mr. Wong.

5 MR. WONG: Good morning, Chairman and Commissioners.
6 My name is Tony Wong with the Energy Efficiency Division. The
7 Quantum Energy Services & Technologies contract is selected through
8 the Request for Proposals for the Municipal and Commercial Building
9 Targeted Measure Retrofit Program. This contract titled Downtown
10 Oakland Targeted Measure Saturation Program will bring targeted
11 energy efficiency measures to about 9 million square feet of
12 commercial buildings in the City of Oakland, that is an economically
13 disadvantaged area as defined by ARRA. About 60 percent of the
14 contract funding will be used to buy down the cost for installing
15 the building energy efficient measures that have been successfully
16 demonstrated by the Commission's Public Interest Energy Research
17 Program. The Targeted Measure includes occupancy controlled by
18 level lighting fixtures for parking lots and parking garages,
19 wireless lighting, and HVAC controls, integrated classroom lighting,
20 and integrated office lighting systems. This project will also
21 leverage about \$2.3 million from sources like PG&E's East Bay Energy
22 Watch Program.

23 The City of Oakland Economics Development staff, the
24 Building Owners Management Association, and the Oakland Chamber of
25 Commerce have already signed up about 4 million square feet of

1 commercial buildings. About seven percent of the budget
2 will be used for training facility operators, contractors, and
3 installers for targeted efficiency measures. This project will
4 result in reducing energy consumption by about 8.4 gigawatt
5 hours of electricity, and 140,000 therms of natural gas. That is
6 equivalent to a reduction of about 4,400 tons of CO₂. And I am
7 requesting the Commission approve this contract. I will be happy to
8 answer any questions that you may have.

9 CHAIRPERSON DOUGLAS: Thank you, Mr. Wong. Questions?

10 COMMISSIONER WEISENMILLER: I was going to say I
11 appreciate the efforts. Having been a business man in downtown
12 Oakland for a couple of decades, certainly it is refreshing to see
13 the Energy Commission trying to connect the Division of the
14 President, the Governor, and this agency down in the streets of
15 Oakland, you know, to bring energy efficiency there, to bring some
16 jobs there. It is critical - I think, again, all of us have said
17 for decades that trying to deal with retrofits of existing buildings
18 has got to be one of our key priorities and it is very good to be
19 here at a time when we have the tools to do that. And, in a way, I
20 think people often talk about the states being the laboratories for
21 different types of programs; well, here, given the ARRA grants, we
22 have the ability to see what actually is working and not working on
23 the local level, and to try to move to the next stage. So, again, I
24 certainly appreciate the ARRA Committee going through these
25 proposals and staff's hard work to get us to this point, and I

1 would certainly like to move the motion, move this item.

2 COMMISSIONER BYRON: Madam Chair?

3 MR. HERRERA: Commissioners, could I also - I need to make
4 the same comment I made earlier concerning this contract, as well as
5 the next two on the agenda. And for brevity, I would like to read
6 the comments now since they apply to the next two items, with your
7 okay, Chairman?

8 CHAIRPERSON DOUGLAS: Please do.

9 MR. HERRERA: Again, the Contract Request Memo that was
10 included with this contract package, in the section dealing with
11 CEQA, had indicated that the approval of this contract was not a
12 project under CEQA. And I think does need to be corrected to
13 reflect the fact that the approval of the contract is a project
14 under CEQA, but that it is nevertheless exempt for a number of
15 category exemption reasons, and those are Title 14, California
16 Code of Regulation Section 15301, dealing with Repair and Minor
17 Alterations of Existing Public and Private Structures, Section
18 15302, Replacement or Construction of Existing Structures, Section
19 15306, dealing with Information Collection, Section 15308, Actions
20 to Protect the Environment, Section 15309, Inspections, Section
21 15322, dealing with Education and Training Materials, and lastly,
22 the Common Sense Exemption under Section 15061(D)(iii). Thanks.

23 CHAIRPERSON DOUGLAS: Thank you. Commissioner?

24 COMMISSIONER WEISENMILLER: I would like to again move
25 this item, given that further information.

1 COMMISSIONER BYRON: Madam Chairman, if I may,
2 just a quick comment. I had some previous contact with Quantum
3 Energy Services, the Contractor in this case, when I was with the
4 Silicon Valley Leadership Group, and they have a very good
5 reputation working with Silicon Valley companies through the IOU
6 Programs, through the PUC on Energy Efficiency. I note that there
7 is a task I here that they will make every effort to leverage
8 approximately a million dollars worth of co-funding, and of course
9 that is primarily through PG&E programs, which they are very good
10 at, so we should make sure that we emphasize that they go after all
11 those funds. Mr. Wong, did I miss anything else? Was there other
12 co-funding associated with this project?

13 MR. WONG: Mostly from the PG&E's East Bay Energy Watch
14 Program. That is including the marketing effort and facilities and
15 installation, as well as incentives provided by the utility
16 programs.

17 COMMISSIONER BYRON: Well, good. I am certainly in favor
18 of this project and I would like to give it a second.

19 CHAIRPERSON DOUGLAS: All in favor?

20 (Ayes.)

21 This item is approved.

22 Item 4. Energy Solutions. Possible approval of Contract
23 400-09-012 for \$5,949,739 with Energy Solutions to provide workforce
24 development and create green jobs through energy efficiency
25 retrofits in municipal buildings in Northern and Southern

1 California. Mr. Wong.

2 MR. WONG: Good morning again, Chairman and Commissioners.
3 The Energy Solutions contract is Select Thirty Request (phonetic) for
4 Proposal for this Municipal and Commercial Building Targeted Measure
5 Retrofit Program. This contract targets Energy Technology Systems
6 Programs. It is a statewide program that will cover municipal
7 buildings in the Greater San Francisco Bay Area Southern California
8 and Sacramento County. Forty-three percent of the contract funding
9 will be used to fund targeted measures such as occupancy controlled
10 by level lighting fixtures for parking lots and parking garages,
11 wireless lighting controls, and wireless HVAC controls. And also,
12 this technology has been demonstrated successfully through our PIER
13 Program. This project also leverages about \$13.5 million from the
14 existing Utility Incentive Programs. And four percent of the
15 project funding would be used to train about 60 electrical lighting
16 and HVAC contractors and installers. On-the-job training is also
17 available for four staff to perform energy audits and data logging,
18 and to do energy analysis. This project also leverages existing
19 workforce development organizations such as Los Rios Community
20 College and Laney College.

21 This project will result in reducing energy consumption by
22 20.7 gigawatt hour electricity and 240,000 therms of natural gas.
23 This is equivalent to a reduction of about more than 10,000 tons of
24 carbon dioxide emissions. I am requesting the Commission to approve
25 this contract and I would be happy to answer any questions you may

1 have.

2 CHAIRPERSON DOUGLAS: Thank you. And, Mr. Herrera, are
3 you going to - have you already read - your correction was read into
4 the record for this item, as well?

5 MR. HERRERA: That is correct, Chairman.

6 CHAIRPERSON DOUGLAS: And for the following, as well?

7 MR. HERRERA: That is correct. The next item, PECI, that
8 is right.

9 CHAIRPERSON DOUGLAS: That is right. All right, thank
10 you. Commissioners.

11 COMMISSIONER BYRON: Mr. Wong, you had indicated there
12 was, I believe, \$13.5 million of potential leverage funding in this?
13 I may have missed it, did you indicate the source of those funds?

14 MR. WONG: Mostly for the Utility Rebate Program,
15 including SMUD and PG&E, and also Southern California Utilities.

16 COMMISSIONER BYRON: Thank you.

17 VICE CHAIR BOYD: Well, I will move approval of the item.

18 COMMISSIONER EGGERT: I will second that. I guess I just
19 want - you had mentioned the PIER linkage, and I just wanted to
20 highlight that, the participation of the California Lighting
21 Technical Center, which, reading through here, is going to provide
22 information on lighting technologies that would be used in these
23 different applications, evaluate specifications, and emerging
24 lighting products, utilizing their equipment to evaluate and test
25 the potential products' performance, etc. etc. They seem to have a

1 really sort of key and instrumental role in the success of
2 this effort which, again, I think is just a phenomenal example of
3 linking the work that is coming out of the PIER-funded research
4 initiatives and actually deploying these technologies into the
5 marketplace. So thanks for mentioning that, and I will second the
6 item.

7 CHAIRPERSON DOUGLAS: Thank you. We have a motion and a
8 second. All in favor?

9 (Ayes.)

10 This item is approved. Thank you, Mr. Wong.

11 MR. WONG: Thank you.

12 VICE CHAIR BOYD: I want to thank Commissioner Eggert for
13 recognizing and pointing out to the public in our audience and our
14 media staff, hopefully, the relationships of many of these projects
15 to the research program.

16 CHAIRPERSON DOUGLAS: Very good. Item 5. Portland
17 Energy Conservation, Inc. Possible approval of Contract 400-
18 09-014 for \$18,808,717 with Portland Energy Conservation,
19 Inc., to provide workforce development and create green jobs
20 through commercial retail refrigeration energy efficiency
21 retrofits across California. Mr. Taylor.

22 MR. TAYLOR: Good morning, Chairman, Commissioners.
23 My name is Gabriel Taylor. I am with the Efficiency and
24 Renewables Division. And I have here my colleague from the
25 California Conservation Corps, Mr. Patrick Couch. He is the

1 Director of Special Projects at the Corps and will be
2 available to answer any questions you might have and make a
3 brief statement after my presentation.

4 There are approximately 124,000 commercial
5 buildings in the state with large-scale refrigeration
6 equipment. Of those, approximately 40,000 buildings have
7 retail commercial refrigeration equipment, the kind you would
8 find in a grocery store or mini-mart. If approved, this
9 contract will fund the creation of the Smart Energy Jobs
10 Program. The Smart Energy Jobs Program will have two basic
11 parts, the first part of the program, and just over one-third
12 of the total program funding, will focus on job creation.
13 PECCI, the Contractor, will initially train approximately 60
14 California Conservation Corps members to serve on energy
15 efficiency survey teams. These teams will conduct over a
16 two-year period approximately 30,000 initial refrigeration
17 efficiency surveys at grocery stores and mini-marts
18 throughout the State of California. The survey teams will
19 upload the data they collect to a central database that will
20 be accessible participating energy services companies. Based
21 on the initial surveys conducted by the CCC teams,
22 participating energy services companies will select retail
23 stores for follow-up, collect additional energy information,
24 and recommend and install energy efficiency equipment.
25 Participating companies will also be trained to ensure that

1 they can both install and maintain the energy saving
2 equipment. The second part of the program, and approximately
3 half of the total funding, will focus on energy efficiency.
4 The Contractor will work with local utilities to buy down the
5 cost of recommended energy efficiency equipment with direct
6 incentives. Of the initial 30,000 buildings surveys, we
7 expect to fund approximately 5,000 retrofit projects,
8 yielding approximately \$40 million of direct energy savings
9 over five years. In addition, the Contractor will continue
10 aggressively to pursue leveraged funding from local utility
11 partners to expand the program, to achieve even greater
12 efficiency opportunities possibly beyond refrigeration
13 technology. Mr. Couch, would you like to make a comment?

14 MR. COUCH: I would just like to say how happy the
15 California Conservation Corps is to be part of this really
16 unique, fantastically unique program, that it is putting
17 together a world class conservation organization and a world
18 class energy organization to both develop young people who
19 are going to be doing important work in developing their
20 skills, and have an opportunity to move up and onward in the
21 world of work. As Conservation Corps members, they will
22 still be required to volunteer, they will still be giving
23 blood, and they will still be required to go to school. If
24 they do not have a high school diploma, we have a statewide
25 charter school, they will be doing that, as well. So these

1 young men and women are ready to go to work and we are just
2 really excited about this opportunity. And if the late great
3 B.T. Collins was here, he would say, "I don't believe it.
4 How is it possible that Government could take two great
5 programs, put them together, and end up creating something
6 greater than the whole?" So we are ready and eager and
7 excited.

8 VICE CHAIR BOYD: Madam Chair, a comment if I
9 might. When I first learned of this project, quite some time
10 ago, I was immediately pleased to see its existence, and even
11 more pleased when I read deeply into the subject. During my
12 tenure as a Deputy Secretary of the Resources Agency, I spent
13 time with the Corps, I got educated on their programs, and I
14 was just absolutely incredibly impressed with what it is they
15 do, and with the lives that they turn around, and it just
16 pleased me greatly to see us participating with them, and
17 giving them this particular opportunity because that program
18 does not get enough notoriety for what it does, and if you
19 spend time in the field with the young people like I did,
20 particularly a few nights around the bonfire deep in the
21 Sierra, it is amazing what the counselors there are able to
22 do in turning the lives of these young people around, and
23 some of these people were very rough characters at one point
24 in time in their lives, and it was both men and women, so any
25 opportunity that are afforded them often, you know, turns on

1 a light, finds some talent, undiscovered talent, or
2 unutilized talent that they have. So this program just
3 pleases me immensely and I am glad to see it on our agenda
4 here. And I will move its approval, but others may have some
5 comments, as well.

6 MR. LEVY: Pardon me, Chairman, and just for the
7 sake of the record, Mr. Herrera's comment for the past three
8 items equally apply to this item.

9 CHAIRPERSON DOUGLAS: Thank you.

10 COMMISSIONER EGGERT: Just a quick comment. I did
11 not put this on my resume in the application for this job,
12 but I actually did - I was a member of the Youth Conservation
13 Corps in Wisconsin, which was an offshoot of the CCC in
14 collaboration with the Wisconsin Department of Natural
15 Resources, and I think it was age 15, spent the summer
16 clearing trails, putting out fires, doing a number of
17 projects around the state, and got to learn a lot about the
18 history of the CCC as an organization throughout its history
19 that has contributed to social benefit, and I think this
20 partnership that has been created here is sort of a wonderful
21 extension of that, basically both the training function, as
22 well as the actual consequence of these projects, which is
23 energy savings and benefits to the environment. So I just
24 want to commend your organization and your leadership, and
25 entering into this partnership and successfully competing,

1 this was a competitively bid program, so competing for these
2 funds and successfully being awarded them. And I am looking
3 forward to seeing the benefits of this project. And I think
4 - has this been seconded?

5 CHAIRPERSON DOUGLAS: Not yet.

6 COMMISSIONER EGGERT: I will second it.

7 CHAIRPERSON DOUGLAS: Commissioners, any comments?

8 VICE CHAIR BOYD: I would just comment to the Corps
9 maybe to have a new model here to display.

10 MR. COUCH: I would suggest that this may well
11 become a crown jewel of a new model in the Conservation
12 Corps.

13 CHAIRPERSON DOUGLAS: Great.

14 COMMISSIONER WEISENMILLER: I was just going to
15 note that I had the pleasure in the Brown Administration to
16 serve with B.T. Collins, who certainly was a unique and
17 inspiring individual, and certainly through that got a better
18 understanding from him of the Conservation Corps and the good
19 works that it does, so, again, I think this is a very good
20 opportunity to bring together that legacy and the legacy of
21 this institution, and to go forward for the future in energy.

22 CHAIRPERSON DOUGLAS: Thank you. Well, we have a
23 motion and a second. All in favor?

24 (Ayes.)

25 This item is approved. And Mr. Couch, we certainly

1 look forward to the partnership with the Conservation Corps.

2 MR. COUCH: Thank you, Chairman. I just want to
3 acknowledge your leadership and your strong support of the
4 process in this program.

5 CHAIRPERSON DOUGLAS: Thank you.

6 MS. CHANDLER: Chairman?

7 CHAIRPERSON DOUGLAS: Yes.

8 MS. CHANDLER: I would like to take a brief
9 commercial break here and acknowledge the staff because, if
10 we wait until the end, or when I do the Executive Director's
11 Report, many of them will be back at their desks. So you met
12 many of our hard working project managers today. I want to
13 thank them. I think they have received their accolades from
14 you all, and I know they realize how important you feel their
15 programs are. But I would be remiss if I did not acknowledge
16 some other folks who are very key to the success of this
17 program today. They Technical staff, I would like to
18 acknowledge, if she is still here, is Martha Brook.

19 VICE CHAIR BOYD: There she is.

20 MS. CHANDLER: Bill Pennington, who stepped up, and
21 he probably - there he is - Angie Gould, and Betty LaFranchi,
22 these four people were key in scoring the over 200 proposals
23 that we received. We had support staff that went through
24 them, but they, because of this competition and the way it
25 was set up, had to look at every proposal and had to score

1 them, and they are magnificent in that. The person who
2 really I want to acknowledge, too, is Valerie Hall. These
3 folks are all part of her team, and she has pulled it
4 together. I know she is burdened by a tremendous amount of
5 workload in terms of all sorts of other important work in the
6 Energy Commission, whether it is the Renewables Office, or
7 the Building Standards, the Appliance Standards, Televisions,
8 and yet she has maintained the morale of her team, and has
9 continued to be supportive of them, and made sure that they
10 got the best attorneys, the best resources. So it takes a
11 village to do this ARRA; last week, you saw the FTD village,
12 today you are seeing the Energy Efficiency and Renewable
13 Division village, and we could not have done it without these
14 staff.

15 CHAIRPERSON DOUGLAS: Well, thank you, Ms.
16 Chandler, very good, and thank you, staff. And I will just
17 note, Commissioners, we have now seen three of the five
18 contracts for the Municipal Financing Solicitation, we have
19 seen all three from the Targeted Retrofits in Municipal and
20 Commercial Buildings, and we have seen three of four from the
21 Residential Retrofit solicitation, so that means there are
22 three contracts to go, which staff says we will see at our
23 business meetings in June. We are almost through this very
24 large portion of the ARRA work that we have said our staff
25 has brought us, so thank you.

1 All right, Item 6. California Department Of Food
2 And Agriculture. Possible approval of Contract 600-09-015
3 for \$4 million with the California Department of Food and
4 Agriculture to fund the initial steps to establish
5 measurement and standards requirements for hydrogen and
6 biodiesel fuels. Mr. Mizutani, please.

7 MR. MIZUTANI: Madam Chairman, I am Chuck Mizutani
8 with the Fuels and Transportation Division. The Department
9 of Food and Agriculture is the lead enforcement agency for
10 the fuel quality and quantity of transportation fuels
11 dispensed from public dispensing systems. The Division of
12 Measurements and Standards is in the Department of Food and
13 Ag and is responsible for developing both the fuel quality
14 and quantity standards, as well as the measurement devices,
15 in order to ensure the quality and quantity of the fuel being
16 dispensed is as noted. The reason I sort of give this
17 background is because hydrogen fuel does not have any fuel
18 quality and quantity standards or certified measurement
19 devices by which the Department of Food and Ag can monitor
20 and verify the accuracy of the fuel being dispensed to the
21 public. Given that, when hydrogen vehicles become
22 commercially available in large quantities, they will not
23 have an ability to go to a public fueling pump to get their
24 hydrogen. So, for that reason, we are proposing to provide
25 through an interagency agreement with the Department of Food

1 and Agriculture, \$4 million so that they can develop the
2 standards and specifications, as well as the certified
3 measuring devices in order to allow hydrogen to be fueled to
4 the public. In addition, another alternative fuel,
5 biodiesel, is also limited in terms of quantities above 20
6 percent in diesel fuel, and so we would like to have the
7 Department of Food and Ag look at developing measurement
8 standards, or standards for the fuel quality in terms of a
9 national standard.

10 CHAIRPERSON DOUGLAS: Thank you. Questions or
11 comments.

12 VICE CHAIR BOYD: I would just comment to the
13 Commission that this item was presented to and discussed
14 probably multiple times before the Transportation Fuels
15 Committee, consisting of myself and Commissioner Eggert, and
16 we have recommended its presentation here today and its
17 approval. So I would move its approval.

18 COMMISSIONER BYRON: Second.

19 CHAIRPERSON DOUGLAS: All in favor?

20 (Ayes.)

21 This item is approved. Thank you.

22 Item 7. City Of Hayward. Possible approval of
23 Agreement 004-09-ECA for a loan of \$2.45 million to the City
24 of Hayward to construct a 1,000 kilowatt solar photovoltaic
25 project. Ms. Khalsa.

1 MS. KHALSA: Good morning, Commissioners. My name
2 is Akasha Khalsa, I am with the Special Projects Office of
3 the Fuels and Transportation Division. We requested to
4 approve a 3 percent loan for \$2,450,000 to the City of
5 Hayward for a 1 megawatt ground mounted photovoltaic system
6 with two inverters. Over nine acres will be covered with
7 photovoltaic panels that rotate with the sun on one axis.
8 These 5,152 solar collectors will produce an estimated 1.9
9 Gigawatt hours per year, that will save the City
10 approximately \$222,726 annually in energy costs. The loan
11 will finance 45 percent of the turnkey project costs,
12 including design, capital purchase of equipment, construction
13 and installation. California Solar Initiative Rebates will
14 contribute more than \$2 million, based on production. More
15 than 670 tons of CO₂ equivalents will be reduced from the
16 PG&E energy mix by this net energy renewable energy project.

17 CHAIRPERSON DOUGLAS: Thank you. Questions or
18 comments, Commissioners?

19 COMMISSIONER EGGERT: Just a quick comment, I
20 guess. By my calculation here, the capital investment is
21 about \$5.43 per watt, if I have got my math right, and then,
22 with the rebates, it is down to about \$2.45 a watt, so this
23 is actually a pretty good rate for the City to get that final
24 cost in terms of what they are actually applying the loan
25 for, in terms of the capital. So it is good to see the

1 numbers coming down on these.

2 MS. KHALSA: This is happening at a waste water
3 treatment plant that has huge pumps, and it provides almost a
4 quarter of the electricity used by this pumping facility.

5 COMMISSIONER BYRON: Ms. Khalsa, a quick question.
6 I do not believe it says in here, who have they selected?
7 Whose photovoltaics have they selected? Do we know? For the
8 installation.

9 MS. KHALSA: It is in the paperwork.

10 COMMISSIONER BYRON: Okay, not in the summary,
11 though?

12 MS. KHALSA: I do not have it here.

13 COMMISSIONER BYRON: All right, that is fine, I am
14 just very curious to know whether or not it is indeed
15 domestic or California-based, but it is not essential to
16 approval of the loan.

17 MS. KHALSA: It is a California company. Part of
18 the reason this is a three percent loan and not a one percent
19 loan is it was so much cheaper to buy photovoltaic panels
20 made overseas.

21 COMMISSIONER BYRON: Thank you. Madam Chair, I
22 will be glad to second Item 7 on the agenda.

23 CHAIRPERSON DOUGLAS: We have a motion and a
24 second. All in favor?

25 (Ayes.)

1 This item is approved.

2 Item 8. University Of California, Berkeley.

3 Possible approval of Amendment 6 to Contract 500-99-013 with
4 the Regents of the University of California, Sponsored
5 Projects Office, UC Berkeley-California Institute for Energy
6 and Environment (CIEE) for a six-month, no-cost time
7 extension. Mr. Kelly.

8 MR. KELLY: Good morning, Commissioners. I am Thom
9 Kelly, Deputy Director for R&D. I am both pleased and
10 saddened to recommend the extension of this contract for six
11 months; I am very pleased because it has been a marvelous
12 agreement vehicle for us, we have gotten a lot of good
13 research done, and continuing to do good research from it, I
14 am saddened because this is the last of the amendments, it
15 will expire December 31st, and it is almost like losing a good
16 friend, and I am thinking about starting a wake about
17 December 1st and have it for 30 days. Some of the work that
18 it has led has to do with being able to start things very
19 quickly. R&D is known for being perhaps years ahead of what
20 the need will be, or what the technologies will be, and this
21 vehicle allows us to get started on those before we could
22 even get started, we would amass expertise, technical
23 expertise, university expertise, technical expertise outside
24 of universities, and bring them to bear on a topic that we
25 know is important today, or will become important, and it can

1 provide us a starting point for this additional work. One
2 example of that, just a recent example, is the WESTCARB. We
3 did not have the staff on hand to start WESTCARB and go for
4 the federal dollars and have that carbon capture and
5 sequestration displayed and deployed in California, this
6 allowed us to get started, and because of this, we were able
7 to get the WESTCARB I, II and III awards. So it has been
8 phenomenally successful from that standpoint. When it became
9 clear that adaptation was going to be an issue for reducing
10 greenhouse gases, we were able to start the research on that
11 before anybody else was able to do it. We got started when
12 the Climate Action team needed environmental research,
13 bringing science to the discussion. We were able to start
14 that scientific work through this basic order and agreement.
15 Commissioner Geesman was very appreciative of one particular
16 study that was done, that talked about how to integrate a
17 number of different kinds of renewables into the electricity
18 systems, so we have had some notable successes, we continue
19 to have success, and one of the reasons we are asking for the
20 extension - and the extension is not just for six months to
21 apply to all the projects we are working on, some projects
22 only needed a one-month, some needed no months and completed
23 on schedule, others take four, five, or even six months. We
24 have the carbon capture and sequestration blue ribbon panel
25 that we are supporting, that is being covered under this

1 contract. We have our science advisor, who we are trying to
2 keep going here for at least through December, that is
3 covered in this. We have a clean energy workforce that
4 training has started, we want to continue that. So, to the
5 extent we can, we would like to keep all this work going. We
6 are not adding any more money to any of the projects, this is
7 just continuing existing projects. And I recommend that we
8 approve this today.

9 CHAIRPERSON DOUGLAS: Thank you, Mr. Kelly.
10 Questions or comments.

11 COMMISSIONER BYRON: Madam Chair, as the Presiding
12 Member of the Research Committee, I would like to move
13 approval of Item 8.

14 VICE CHAIR BOYD: Second.

15 CHAIRPERSON DOUGLAS: All in favor?

16 (Ayes.)

17 The item is approved. Thank you, Mr. Kelly.

18 Item 9. Bevilacqua-Knight, Inc. Possible approval
19 of Contract 500-09-045 for \$3,941,354 with Bevilacqua-Knight,
20 Inc., to build upon work carried out in WESTCARB Phase I and
21 Phase II, and continue this preliminary work into Phase III.
22 Mr. Gravely.

23 MR. GRAVELY: Good morning, Chairman Douglas and
24 Commissioners. I am joined today by our WESTCARB Program
25 Manager, Connie Sichon, so if you have questions, both of us

1 will be glad to answer your questions a little later. In
2 2003, the Commission was selected and became the manager for
3 the West Coast Regional Carbon Sequestration Partnership,
4 known as WESTCARB, and that partnership is one of seven
5 national partnerships that the DOE funds. WESTCARB is
6 comprised of seven western states in British Columbia. The
7 program is a three-phased program, Phase I was basically
8 validating the opportunity for sequestration in both
9 underground and terrestrial; Phase II was to get into small
10 scale demonstrations, and Phase III is to do a large scale
11 demonstration. We are in Phase II and we are beginning Phase
12 III. Today's effort will allow us to continue to complete
13 Phase II and begin Phase III. I will point out that,
14 overall, the three phases of WESTCARB, approximately \$87
15 million of Department of Energy funding and \$28 million of
16 industry-matched funding is coming to California and our West
17 Coast partners, and PIER is putting in approximately \$10
18 million over a 12-year period.

19 This contract before you today is with Bevilacqua-
20 Knight, who we like to refer to as BKI, that is a little
21 simpler, and they have been a partner with us for all three
22 phases in the area of technical, providing us information on
23 the expertise that we need for characterizing the underground
24 and the geological CO₂ sequestration capability. As part of
25 this process, we will continue to do that. We will provide

1 the information to the Department of Energy on reports that
2 they provide nationally and internationally. We also will be
3 looking as part of this effort, we are also doing a new area
4 where we are looking now at carbon capture for power plants,
5 and so we will be doing work in conjunction with, but under a
6 separate effort, but BKI will be supporting us in this, and
7 that is an understanding of how we can capture CO₂ from power
8 plants and then sequester that CO₂ once stored and captured.
9 Also, the knowledge and expertise they have, as the previous
10 speaker Thom Kelly mentioned, we have now shifted to where we
11 have WESTCARB staff and the Commission is doing much more of
12 the public outreach and much more of the media attention for
13 WESTCARB, so they will be providing us and our media staff
14 technical information and technical support as we go forward
15 with a broader public outreach effort, that the Commission
16 will manage and BPI will be providing support to both our
17 office and the media office as we go forward with those
18 things. This effort was approved by the R&D Committee and we
19 are prepared to answer any questions we can.

20 CHAIRPERSON DOUGLAS: Thank you. Questions or
21 comments.

22 VICE CHAIR BOYD: I would just point out that this
23 item did come before the Research Committee and we recommend
24 its approval, so I will move approval of this. And just an
25 initial comment, Mr. Kelly already referenced WESTCARB and

1 what a very large project it is, and what a significant
2 contribution California and this agency are making to the
3 study of the concept of carbon capture and sequestration, all
4 ultimately to meet the needs of AB 32, even natural gas-fired
5 boilers in California, particularly those in utilities, will
6 be subject to additional CO₂ capture and control. And this
7 is what spurred the early actors on this project. WESTCARB,
8 of course, is more than California, it is a Western regional
9 approach, and other projects have been going on, as well. It
10 certainly is, to me, representative of research because it
11 has met lots of bumps in the road, and had a lot of issues to
12 resolve, scientifically and procedurally, I would add. But I
13 think it has been to the benefit of this agency to be
14 involved and, of course, there was reference to the blue
15 ribbon committee that has been created and is being supported
16 to advise California agencies on how to deal with this entire
17 subject and all the issues that have been identified as part
18 of the WESTCARB research project. So it is a significant, if
19 not very well understood piece of work.

20 COMMISSIONER EGGERT: I was just going to say that
21 I think this is clearly a very important project and I wanted
22 to thank Commissioner Boyd for his leadership on this subject
23 and helping also to establish the blue ribbon panel, which I
24 think, again, a lot of people - there is a really phenomenal
25 group that has been brought together to look at both the

1 technical policy and institutional challenges that exist in
2 deploying this technology at scale, and our ability to fund
3 demonstration activities to address some of the technical
4 issues, I think, is going to be really key to the success of
5 this technology. And, again, I would say here, as with other
6 programs, but particularly in the case of sequestration, the
7 importance beyond our borders is significant, you know, the
8 rest of the country and other countries that are more heavily
9 invested in coal as their primary resource is really putting
10 a lot of weight on the success of sequestration as a
11 technology to deal with climate change. So I am looking
12 forward to seeing the outcomes of this work. And actually,
13 one question, this is an injection into saline aquifer? Is
14 that right?

15 MS. SICHON: Yes, we are - the demonstration -

16 COMMISSIONER EGGERT: Okay, and this includes sort
17 of monitoring and evaluation of the injection site for any
18 potential loss of CO₂ and such?

19 MS. SICHON: Yes, there will be monitoring
20 activities.

21 COMMISSIONER EGGERT: And what is sort of the
22 timeframe for when we would have sort of our first assessment
23 of the success of this project?

24 MS. SICHON: For the Phase III demonstration or the
25 personal -

1 COMMISSIONER EGGERT: The million tons per year
2 type.

3 MS. SICHON: We estimate - the site has not been
4 determined yet, but approximately by 2012.

5 COMMISSIONER EGGERT: 2012, all right. Thank you.

6 MR. GRAVELY: The project actually is a four-year
7 underground - the plan and the proposal is a four-year, so
8 starting about the 2012 timeframe, and so we will be
9 injecting and monitoring. It also depends on the ultimate
10 determination of where the site is. But the small scale
11 demonstration will actually - we are expecting to do
12 injection at the end of this year, or early next year, and
13 that will be in Northern California, so that we will learn
14 from that and we will be able to compare the models vs. the
15 actual. So there will be in the small scale demonstration in
16 Northern California, we will have some results within the
17 next six months to a year that we will be able to publicly
18 announce.

19 COMMISSIONER EGGERT: Excellent. Thank you.

20 COMMISSIONER BYRON: Madam Chair, thank you. Just
21 a brief comment. I think my fellow Commissioners have
22 already really touched on this to a great extent already, so
23 I will be brief. California needs this. This is clearly
24 research and development, it is long-term, and we are not the
25 biggest actors in the country or throughout the world in

1 terms of carbon production, by far. Many folks might be
2 under the impression that we are going to accomplish all of
3 our goals with renewable development, and that may be, but we
4 clearly want to be the leaders in this area, as well, just as
5 we want to be the leaders in the development of renewables
6 and clean technologies. So this is extremely important
7 research, and I think we have discussed this before, but it
8 is, as Commissioner Boyd said, going to have a lot of bumps
9 in the road, and a lot of antagonists associated with it, but
10 thank you for bringing this project before us. We need to
11 certainly be a key player in WESTCARB, and we want to develop
12 these technologies in California. So no real questions, but
13 I will be glad to move the item if it has not been moved yet.

14 VICE CHAIR BOYD: I moved it. It needs a second,
15 however.

16 COMMISSIONER BYRON: I will be glad to second the
17 item.

18 CHAIRPERSON DOUGLAS: We have a motion and a
19 second. All in favor?

20 (Ayes.)

21 This item is approved.

22 Item 10. Altex Technologies Corporation. Possible
23 approval of Agreement PIR-09-012 for \$1,493,581 with Altex
24 Technologies, Incorporated to develop and demonstrate boiler
25 burner system technology for fire tube boilers. Mr. Koyama.

1 MR. KOYAMA: Good morning, Commissioners. I am
2 Ken Koyama. I am in the Research and Development Division.
3 This is a combined heat and power project that is going to
4 integrate a microturbine with a boiler to increase efficiency
5 by a significant amount, and reduce NO_x emissions to meet
6 future emission standards for CHG. This project is the
7 result of a competitive solicitation, one of 23 proposals
8 that were submitted. We are proposing to fund eight projects
9 out of that solicitation, and this is one of them. And we do
10 request your approval for this project.

11 COMMISSIONER BYRON: A quick comment, Mr. Koyama.
12 This project looks really interesting, the supplemental
13 firing efficiencies that can reach 80 percent at full load.
14 Again, it is a fossil fuel-based technology, we are very
15 interested and continue to be, in these small scale, high
16 energy efficiency forms of generation. This looks like a
17 very interesting research project. I certainly would be glad
18 to move the item.

19 VICE CHAIR BOYD: Second.

20 CHAIRPERSON DOUGLAS: All in favor?

21 (Ayes.)

22 This item is approved.

23 Item 11. Gas Technology Institute. Possible
24 approval of Contract 500-09-044 for - and there is a small
25 change here -- \$1,985,502 with Gas Technology Institute to

1 develop new commercial appliances and investigate commercial
2 water heater energy efficiency improvements. Mr. Fleshman.

3 MR. FLESHMAN: Thank you. Good morning,
4 Commissioners. My name is Joseph Fleshman and I am with the
5 PIER Buildings Team. Commercial food service has been
6 identified as the most energy intensive field within
7 commercial buildings. Commercial kitchens consume five times
8 more energy per square foot than other commercial building
9 types. Based on the results of previous PIER projects, the
10 Food Service Technology Center estimates that commercial
11 cooking in California consumes 480 million therms of natural
12 gas, and commercial water heating consumes 340 million therms
13 annually. This contract is with the Gas Technology Institute
14 to design, construct, and test advanced commercial food
15 service appliances with increased energy efficiency. In this
16 project, ranges, woks, conveyor and convection ovens, over
17 and under fire broilers, and water heating systems will be
18 modified for energy efficiency improvements between 12 to 23
19 percent, depending on the technology. Assuming modest market
20 penetration, projected benefits to California of this
21 contract include a reduction of 60 million therms per year,
22 or ratepayer savings of about 56 million a year. This
23 contract was selected through competitive solicitation for
24 approximately \$2 million of PIER natural gas funds, and will
25 benefit from \$917,875 of matched funding. Matched funding

1 comes from Pacific Gas & Electric, Utilization Technology
2 Development, and key partner manufacturers, Lincoln, Garland,
3 Royal Range, and the Montague Company. Key partners, Royal
4 Range and the Montague Company are both located in
5 California, so additional market demand for the improved
6 appliances will have a direct and positive impact on
7 California's economy. We request approval of this contract.

8 COMMISSIONER BYRON: Question. Mr. Fleshman, it is
9 always exciting when you read precise numbers in terms of the
10 goals that they are going to attempt to achieve in reducing
11 energy usage for these various appliances. How will this
12 primarily inform this Commission, through our Appliance
13 Standards work, so we will know what indeed industry is
14 capable of? Or is there a way that this information will be
15 released to appliance manufacturers, such that they can
16 indeed incorporate it into their designs?

17 MR. FLESHMAN: It is primarily through rebates and
18 incentives is what this is focusing on. As part of the
19 testing, there will be laboratory testing, but there will
20 also be field tests at various sites within California, and
21 then through those field tests, they will measure not only
22 energy impacts, but also usage patterns and things like that,
23 and those will be fed into rebate and incentive programs.
24 PG&E's Applied Technology Services Division is involved in
25 this contract as PG&E's subcontractor, so Applied Technology

1 Services is already involved in the project and will be able
2 to feed that directly within PG&E to their rebate and
3 incentive programs.

4 COMMISSIONER BYRON: Okay, but PG&E is not involved
5 in manufacturing appliances, nor developing appliance
6 standards.

7 MR. FLESHMAN: Right, so the appliance
8 manufacturers themselves will be working with GTI on
9 improving the technologies, and so there are technology
10 transfer and production ratings plans that are part of this
11 contract, to share that information.

12 COMMISSIONER BYRON: And perhaps you do not know,
13 but there are others here in the audience that do, will this
14 information be used in developing more stringent appliance
15 standards?

16 MR. FLESHMAN: I am not aware of that.

17 COMMISSIONER BYRON: I think there may be someone
18 here that does know.

19 MS. HALL: Good morning, Commissioners. Valerie
20 Hall. We would certainly be taking a look at whether or not
21 there are aspects of what is developed under this contract
22 that would be appropriate for appliance standards in the
23 future. We would need to make sure that a nationally
24 recognized test procedure upon which we could base the actual
25 efficiency standard for any one of these items. The

1 Commission has in the past looked at food service, and it
2 has incorporated - the one I can think of off-hand actually
3 is a pre-rinse spray for washing commercial - washing dishes
4 and cookware in commercial kitchens, it is basically a spray
5 that reduces the amount of hot water that is necessary for
6 use in cleaning dishes after use. And so we do look at
7 commercial appliances, commercial food service appliances, to
8 see whether or not they are appropriate. So we would
9 absolutely be watching this and seeing if there are any
10 aspects of this that would be appropriate to embed in future
11 standards.

12 COMMISSIONER BYRON: Good, thank you. I hope there
13 is. This is a substantial contract and I am very optimistic
14 that we will see substantial changes in the designs of these
15 major appliances, so let's hold their feet to the fire, Mr.
16 Fleshman.

17 MR. FLESHMAN: Will do.

18 COMMISSIONER BYRON: Madam Chair, I would be glad
19 to move Item 11.

20 COMMISSIONER EGGERT: Second.

21 CHAIRPERSON DOUGLAS: All in favor?

22 (Ayes.)

23 Item 11 is approved.

24 Item 12. Gas Technology Institute. Possible
25 approval of Agreement PIR-09-008 for a grant of \$381,402 to

1 develop and demonstrate a solar-assisted gas water heating
2 system for small food processors. Mr. Lozano.

3 MR. LOZANO: Good morning, Commissioners. My name
4 is Michael Lozano with the PIER Industrial Agricultural and
5 Water Team. The following five contracts are a result of our
6 \$2.8 million competitive grant solicitation for the dairy and
7 food processing industries, so we will be covering Items 12
8 through 16. This first project with the Gas Technology
9 Institute concerns the area of wineries in California. There
10 are approximately 1,600 wineries that contribute \$30 billion
11 directly and indirectly to the California economy. Smaller
12 wineries constitute a large number of these. Ninety percent
13 of wineries produce less than 50,000 cases per year, and 78
14 percent of all wineries employ less than 20 people. Smaller
15 wineries often use hot water tanks smaller than 200 gallons
16 to provide the clean water to clean bottles and sanitize
17 equipment. It is this size because, at 200 gallons, the
18 tanks need to be an improved pressure vessel, so by staying
19 under 199 gallons smaller, it keeps costs down for these
20 smaller wineries. This project is to prove a
21 concept for an off-the-shelf package using a solar hot water
22 heating system, combined with a tankless water heater and two
23 small 199-gallon tanks. We anticipate, if we can achieve
24 these savings, a 40 percent savings in natural gas use. If
25 40 percent of the smaller wineries actually use this process,

1 we anticipate savings of 3.7 million therms out of 23
2 million therms per year. This is a savings of \$3.5 million.
3 This project will benefit from \$60,000 in match funding and
4 will be conducted at a Santa Barbara winery location. We
5 request approval of this contract.

6 VICE CHAIR BOYD: I would just comment that the
7 potential savings are rather significant. I was also
8 thinking I would like to volunteer for the audit team for
9 this project. Commissioner Byron, I will defer to you.

10 COMMISSIONER BYRON: No, I do not think I can top
11 that one. It was astounding, though, to read this and to
12 see, indeed, that this industry is no longer the boutique
13 industry that we think of it as, it is the second largest
14 electricity consuming food industry in California. So
15 wonderful savings opportunity here, and I certainly am in
16 favor of this project.

17 COMMISSIONER EGGERT: One question I had, will
18 those savings translate into lower costs for the bottle of
19 wine we buy this weekend to celebrate our success? Actually,
20 I did want to make - I think this project, the previous one,
21 and the next several, you know, are great examples of making
22 our small and medium sized businesses in California more
23 competitive, so, to the extent we can save them money, they
24 will compete better both in the California marketplace, as
25 well as the broader marketplace, so this looks great.

1 COMMISSIONER BYRON: Madam Chair, I move Item 12.

2 VICE CHAIR BOYD: Second.

3 CHAIRPERSON DOUGLAS: All in favor?

4 (Ayes.)

5 Item 12 is approved.

6 Item 13. US Department Of Agriculture,
7 Agricultural Research Service (USDA-ARS) Western Regional
8 Research Center. Possible approval of Agreement PIR-09-005
9 for a grant of \$235,000 to the USDA-ARS Western Regional
10 Research Center to develop and demonstrate an infrared dry-
11 blanching and drying system to produce high quality processed
12 fruits or vegetables. Mr. Lozano.

13 MR. LOZANO: Thank you, Commissioners. The food
14 processing industry is the third largest energy user in
15 California, consuming some 600 million therms of natural gas
16 and 3.7 billion kilowatt hours of electricity. Processing
17 fruits and vegetables is the largest food subcategory in
18 California. This sector includes 184 companies, operating
19 336 factories that produce \$10.4 billion of processed fruits
20 and vegetables a year. This is 19.5 percent of the entire
21 nation's total. The drying of fruits such as apricots or
22 plums currently use hot air or freeze drying. Both methods
23 are energy intensive and have their drawbacks. For instance,
24 hot air drying damages the quality, the color of the fruit,
25 and somewhat over the freeze drying method, but freeze drying

1 is even more energy intensive.

2 This project researches a combined infrared freeze-
3 drying method, the quality remains high with energy savings
4 of 30-40 percent over freeze-drying, alone. This project
5 benefits from \$113,000 in match, and will be conducted at the
6 USDA Laboratory in Albany, as well on location at the Cebro
7 Frozen Foods in Newman, California. We request approval of
8 this project.

9 COMMISSIONER BYRON: Mr. Lozano, you have great
10 statistics. Commissioner Eggert, I know where I am going
11 when I want more data. But I note on this particular
12 project, you did mention the company where the installation
13 is going to be, but you did not mention the winery on the
14 previous one in the Santa Barbara area. You do not have to.
15 Madam Chair, if there are no further comments, I would be
16 glad to move approval of this item.

17 VICE CHAIR BOYD: Second.

18 CHAIRPERSON DOUGLAS: All in favor?

19 (Ayes.)

20 This item is approved.

21 Item 14. Grimmway Enterprises. Possible approval
22 of Agreement PIR-09-002 for a grant of \$399,949 to Grimmway
23 Enterprises to demonstrate a technology that allows a higher
24 yield extraction of lipids and nutrients from fruits and
25 vegetables, using less electricity and less natural gas

1 compared to conventional technology. Mr. Lozano.

2 MR. LOZANO: Good afternoon again, Commissioners.
3 After the extraction of vegetable juice from, for example,
4 carrots, what remains is a fibrous wet pulp that has little
5 residual value, other than as a wet cattle feed. Drying this
6 still oil and nutrient rich material using hot air is both
7 energy intensive and, most importantly, results in the loss
8 of much of the valuable oils and nutrients. Grimmway Farms,
9 alone, produces millions of pounds of this pulp per year. As
10 cattle feed, the price of this material is only \$4.50 per
11 ton. The proposed research uses a chemical method to extract
12 oils and the oil-loving nutrients. This carrot oil and
13 nutrient mix is worth \$20.00 per pound and can be used in the
14 production of things such as pet food. Grimmway Farms,
15 alone, has the capacity to produce 25 million pounds of dried
16 pulp annually. This project benefits from \$732,000 in match
17 funding from Grimmway and will be conducted in Arvin,
18 California. We request approval of this project.

19 COMMISSIONER BYRON: I note these were all done
20 through competitive solicitations. They all are very
21 interesting looking projects. But, again, you have got great
22 summaries of statistics and numbers here, it is all very
23 helpful to those of us that like to evaluate projects in that
24 way. It looks very good. I do not really have any questions
25 except to move the item for approval.

1 VICE CHAIR BOYD: Well, I will second it, and the
2 reason being for probably the two of us being selective here,
3 these all came through the Research Committee, and I do know
4 that we are very impressed with the competitive nature of
5 this, but even more so the potential outcomes that come from
6 this. This is going to be very meaningful to the Ag industry
7 of California, which is, like the rest of the folks, strained
8 by the current economic situation, and it is one of, they
9 would argue, our biggest industries in California, so I very
10 much appreciate the outcomes of this if they are all as
11 positive as it seems. In any event, that is a long second.

12 CHAIRPERSON DOUGLAS: And, Commissioners, I will
13 just agree that these are very impressive projects and, so, I
14 appreciate the R&D Committee's work and staff's work in
15 bringing these forward. We have a motion and a second. All
16 in favor?

17 (Ayes.)

18 This item is approved.

19 Item 15. Abengoa Solar. Possible approval of
20 Agreement PIR-09-003 for a grant of \$396,984 to Abengoa Solar
21 for a pilot scale demonstration of direct steam generation
22 (DSG) technology at the Frito-Lay Plant in Casa Grande,
23 California. Mr. Lozano.

24 MR. LOZANO: The Industrial Agriculture and Water
25 Team has funded several approaches to develop solar thermal

1 technologies to replace natural gas boilers in the food
2 processing industry. For instance, Earth Day 2008, Governor
3 Schwarzenegger opened a 54,000-square-foot IAW co-funded
4 solar field in Modesto, which was at the time the largest
5 operational food processing heat system in the United States.
6 This project that we are discussing today proposes to
7 research a more efficient design, which could reduce the
8 installed cost for typical solar thermal systems by 25
9 percent. In the current state-of-the-art, mirrors heat tubes
10 of oil, which in turn is used to heat the water into steam.
11 This project will research using mirrors to generate steam
12 directly, eliminating the oil loop entirely. Research into
13 solving the technical problems associated with this approach
14 have been attempted for power generation, but not for food
15 processing. This project bears a particular relevance to
16 California, for 80 percent of natural gas use used in the
17 food processing industry in California is used from mid-July
18 to mid-October; coincidentally, the best time for sun in
19 California. This project benefits from \$103,000 in match
20 funding and will be conducted in Casa Grande, California. We
21 request approval of this project.

22 VICE CHAIR BOYD: A question. This is my second
23 research project with Frito-Lay. I was with the Governor a
24 year plus ago when the Frito-Lay plant, I believe in Modesto,
25 down in the Valley, anyway, we dedicated the steam field

1 plant there, but this is a more direct technology and I was
2 fascinated by it. So I do not know if it is the Frito-Lay
3 people who just happen to be more progressive in looking at
4 this with us, but nonetheless, this is their second project
5 with our research folks. And I hope the Governor remembers
6 this, but the Frito Lay people really lauded the Energy
7 Commission's PIER Program at the time of that project,
8 presented us an award in front of the Governor and, to our
9 surprise, which is sitting in our trophy case upstairs.
10 Maybe they will do it again, we could use the notoriety. But
11 in any event, good project.

12 MR. LOZANO: Thank you.

13 COMMISSIONER EGGERT: I noted here, this does look
14 like a fantastic project, and I noted that Abengoa Solar is
15 also currently applying for a large scale, utility scale
16 solar thermal generation project with the Commission, and one
17 of the interesting things is that it is good to see that
18 there are other applications for this technology to diversify
19 their business model, so that they have the potential, at
20 least, for other revenue streams beyond the power generation,
21 which I think will make for a more robust and durable sector.
22 So I guess I will - did you move this, Commissioner? So I
23 will move the item.

24 VICE CHAIR BOYD: Second.

25 CHAIRPERSON DOUGLAS: All in favor?

1 (Ayes.)

2 This item is approved.

3 VICE CHAIR BOYD: I will note that Abengoa is a
4 Spanish company.

5 MR. LOZANO: Well, a point of fact, Abengoa is a
6 Spanish company, but this is not Abengoa, Abengoa created
7 Solar Car Power, Inc., a fully American subsidiary, which
8 bought Industry Solar Technologies of Colorado, so this is a
9 contract with an American company.

10 VICE CHAIR BOYD: Good.

11 CHAIRPERSON DOUGLAS: Thank you for that
12 clarification.

13 Item 16. University Of California, Davis.
14 Possible approval of Agreement PIR-09-001 for a grant of
15 \$324,250 to the Regents of the University of California,
16 Davis to develop and demonstrate infrared heating, dry
17 peeling technology for tomatoes. Mr. Lozano, before you
18 begin, also to let Commissioners know, we have a member of
19 the public here to speak on this item. Please go ahead.

20 MR. LOZANO: In 2007, California's processed tomato
21 production reached 12.4 million tons and represented 94
22 percent of the national production. Twenty-five percent of
23 these tomato products are peeled, either whole or diced in
24 canned tomatoes. Currently, hot lye peeling using sodium
25 hydroxide, or a potassium hydroxide bath, is the standard

1 method for peeling tomatoes. This solution has to be
2 neutralized prior to being discharged as wastewater, which
3 still has a very high salinity. The management of this
4 wastewater has become a major problem for the tomato industry
5 and other fruit processors which use a similar method. To
6 illustrate, 64,000 acre feet of water is used annually by
7 these industries. The proposed research used infrared heat
8 to loosen the skin of the tomato, which is then removed as
9 they pass over cool rollers. This process is called an IR
10 dry peeling technology, as it requires no water or steam.
11 This technology is intended to solve a problem facing an
12 industry that employs 220,000 people in California's Central
13 Valley. This project benefits from \$84,000 in match, and
14 will be conducted in Davis, California.

15 CHAIRPERSON DOUGLAS: Thank you. And I actually
16 did jump the gun on the member from the public. He is from
17 U.C. Davis, but he is here for the next item. So, with that,
18 Commissioners?

19 COMMISSIONER BYRON: No real questions. Mr.
20 Lozano, another very interesting project, and I just cannot
21 help but wonder where you get all your statistical
22 information. You must be great fun at the dinner table with
23 your family, talking about these things on a statewide scale.
24 But extraordinary opportunity for energy and water savings
25 here. So I am certainly in favor of this project and I would

1 move the item.

2 VICE CHAIR BOYD: Second.

3 CHAIRPERSON DOUGLAS: All in favor?

4 (Ayes.)

5 This item is approved. Thank you.

6 MR. LOZANO: Thank you very much.

7 CHAIRPERSON DOUGLAS: Item 17. University Of
8 California, Davis. Possible approval of Contract 500-09-041
9 for \$2.78 million with the University of California, Davis
10 Plug-In Hybrid and Electric Vehicle Research Center to
11 investigate ways to restructure the cost of automotive
12 batteries, examine optimal interaction between plug-in
13 vehicles and smart-grid systems, and analyze consumer
14 behavior and grid connected vehicles. Mr. Gallagher.

15 MR. GALLAGHER: Good morning, Chairman Douglas and
16 Commissioners. My name is Dan Gallagher and I am the
17 Commission Contract Manager for the renewal of the Plug-In
18 and Hybrid and Electrical Research Center, working with Phil
19 Misemer, Team lead for PIER Transportation. It was in 2007
20 that the Energy Commission initially funded the Center; three
21 years later, it has become a nationally recognized center of
22 excellence for plug-in hybrid and electric vehicle research.
23 Some noteworthy accomplishments of the Center include: they
24 attracted over \$3 million in funding from the Air Resources
25 Board, BMW, e Tec, Nissan, which includes \$1.2 million in

1 ARRA funds. They organized and sponsored two international
2 conferences, one in 2008 in San Jose, and the second in 2009
3 in Long Beach. They formed a Plug-in Hybrid Research
4 Advisory Council, also known as the PHRAC, to provide
5 guidance to the Center. Commissioner Boyd is the Chair with
6 members Nissan, GM, Southern California Edison, U.S.
7 Department of Energy, and many other key stakeholders, and
8 they developed a research roadmap for PHEVS. Following that
9 research roadmap findings, the Center has developed three
10 research focused areas for pursuit over the next three years,
11 they are 1) to investigate ways to restructure the cost of
12 automotive batteries through battery second life
13 applications, and that research will look at decreasing the
14 first-time cost, but it will also increase the lifetime value
15 of vehicle batteries through a second life, and the use of
16 vehicle battery packs for strategic utility services in
17 California could establish the important and clear linkage
18 between transportation, electrification, and utility
19 ratepayer benefits. The second is determined optimal
20 interaction between plug-in vehicles and Smart Grid systems.
21 The Smart Grid is expected to be the technology enabling and
22 connecting interactions between consumers, vehicles, and the
23 utilities. There are so many gaps in understanding these
24 interactions that need to be resolved before an electric fuel
25 system can successfully move forward. And third, they will

1 research consumer behavior and grid connected vehicles.
2 Those research initiatives will include vehicle energy
3 feedback systems that improve value, safety, and performance
4 for vehicles and drives and energy systems, as well as
5 charging behavior. Thank you.

6 CHAIRPERSON DOUGLAS: Thank you. And I would like
7 to ask Lance Atkins, who is the Principal Engineer, actually,
8 with Nissan Technical Center, North America to come forward.

9 MR. ATKINS: Good morning, Commissioners. I am
10 Lance Atkins with Nissan Technical Center's Electric Vehicle
11 and Fuel Cell Department. Nissan has been a participant in
12 several multi-year research projects at UC Davis and we are
13 currently a member of the Advisory Council for the PHEV
14 Research Center. In all of those research programs, we found
15 that UC Davis is very good at gathering the diverse interests
16 around an issue, taking their viewpoints, their information,
17 and the research that UC Davis does, and turning that into a
18 holistic view of the issues. That comprehensive view is
19 beneficial in stimulating discussion within the industry,
20 helping to create better solutions to problems, and making
21 progress for that industry. For the PHEV Research Center, in
22 particular, Nissan has been particularly pleased and has
23 great value out of the two conferences, Plug-In 2008 and
24 2009, and we are looking forward to the conference this
25 summer. In addition, the related research activities on

1 consumer interests and plug-in infrastructure have been
2 helpful, as well. It is for these reasons that Nissan would
3 like to see UC Davis continue their research activities as
4 part of the Plug-In Hybrid and Electric Vehicle Research
5 Center. Thank you.

6 CHAIRPERSON DOUGLAS: Thank you. Thank you for
7 being here. Questions or comments.

8 VICE CHAIR BOYD: Just to comment, I see the
9 Research Team here, Tom Turrentine and Dalia are sitting
10 there and I want to afford Tom an opportunity to say anything
11 if he would like to. You just heard all the plaudits given
12 to the Center that you direct, and I think you and Dalia
13 certainly share in some of the congratulations for a job well
14 done. And the second comment I would like to make is that
15 this technology has turned a very large corner in the last
16 three years; it was not a favorite technology. This agency,
17 I think, went out on a limb and almost violated the rule that
18 Government should not pick technology winners, and created
19 the Research Center, feeling that there was real potential
20 here, and history has proven that, thank goodness, to be a
21 wise choice because it certainly has been embraced by auto
22 industries and others alike, and is now seen as a major piece
23 of our future for transportation, whether your policy driver
24 is climate change, or air quality, or just transportation and
25 energy diversity. Lastly, I would like to say that our

1 newest Commissioner, Commissioner Eggert, has jumped in with
2 both feet on this subject, and I welcome his appearance and
3 enthusiasm, and he is instrumental in pushing this subject
4 even harder, to the point that we had a meeting yesterday at
5 UC Davis, involving the folks who are here, but a large
6 forming collaborative of folks to push electric vehicles and
7 plug-in electric vehicle technology, and I certainly
8 appreciate Commissioner Eggert's knowledge and enthusiasm,
9 and boundless energy, which we have added to this equation.
10 It offsets my old and tiring energy supply quite well. But
11 in any event, Tom, I do not know if you want to say anything,
12 but it might be appropriate for a word or two here because
13 you are one of the guiding forces in this, and certainly
14 share in where we stand.

15 MR. TURRENTINE: Well, I really want to thank the
16 Commission for giving the Center the opportunity to work in
17 this area for the last three years. It certainly is a very
18 exciting historical time, and we have a wonderful team now at
19 UC Davis, put together. We have organized to work on these
20 projects and working throughout the state with other
21 partners, and partners like Nissan as we see historically we
22 have auto companies really stepping forward with products
23 that look like wonderful products, and I just look forward to
24 making this next three years, hopefully, to continue this
25 very historical change in automotive technology.

1 VICE CHAIR BOYD: Thank you.

2 COMMISSIONER EGGERT: I have to make a few comments
3 on that, and I guess I would say that it has been a great
4 pleasure to work with you, Commissioner Boyd, on these
5 activities, and in particular, I think, you did have some
6 vision with respect to establishing the Center three years
7 ago; I do not think anybody at that time could have predicted
8 how quickly, especially the automakers, would have come forth
9 with products, at least proposed products, that are expected
10 to be deployed later this year, and the work that is being
11 done under the Center is instrumental to help prepare the
12 State, from a number of different perspectives, for that
13 deployment. I just wanted to make a couple of other comments
14 with respect to the Center and the capabilities there. I
15 think, just as a general comment about the concept of a
16 Center, what is great about it is it does allow you to create
17 sort of a more lasting Center of Excellence where you can
18 bring together parties as they have done, both from industry,
19 public and private sector partners, to move forward on some
20 of the most interesting research questions, and then, as
21 Commissioner Boyd mentioned, we had a great meeting yesterday
22 to sort of sketch out what would be necessary to prepare for
23 this deployment that we do anticipate coming, and welcome.
24 And then, I think the other thing I would say is that, what
25 is somewhat unique about the Center is that it does include a

1 multitude of disciplines, which I think is important because
2 our ability to prepare for this future is not dependent on
3 just our understanding of the technology of the engineering,
4 but certainly also the business side, the policy, the
5 implications of the interaction with policy, and some of the
6 other institutional factors that come into play, whether or
7 not a technology is successful in the marketplace. And Tom,
8 himself, is actually an anthropologist by training, which I
9 think is a great training for the leadership of the Center.
10 So I guess, with that, I would second the item.

11 COMMISSIONER BYRON: Madam Chair, a quick comment.
12 It is so important, as Commissioner Boyd points out
13 periodically to the rest of us, this is not the Electricity
14 Commission. We are so fortunate to have the strength of
15 these two Commissioners carrying most of the load with regard
16 to transportation issues, and I am looking for their counsel,
17 as well, on my next vehicle. I definitely want to buy a
18 plug-in hybrid, Commissioners, and I am looking for some
19 counsel there. I certainly am in favor of this project. The
20 Research Center at Davis has been a wonderful decision on the
21 part of this Commission, and I am glad that we are continuing
22 to fund it.

23 CHAIRPERSON DOUGLAS: Thank you, Commissioner.

24 MR. MISEMER: Commissioner? Leaf. We are going
25 beyond plug-ins. Leaf, Nissan Leaf.

1 COMMISSIONER BYRON: Thank you, Mr. Misemer.

2 CHAIRPERSON DOUGLAS: We have a motion and a
3 second. All in favor?

4 (Ayes.)

5 This item is approved.

6 MR. GALLAGHER: Thank you.

7 CHAIRPERSON DOUGLAS: Thank you.

8 VICE CHAIR BOYD: And I should say thank you to
9 Phil Misemer. He has really done - I mean, he was all alone
10 in the Research Division when we started this transportation
11 push, and he too has done, I consider, an outstanding job of
12 pulling a team together. And from our side of this issue,
13 pushing the issue and helping make it what it is today. And
14 he wielded a mighty grease pencil yesterday on the newsprint,
15 as well. Thanks, Phil.

16 CHAIRPERSON DOUGLAS: As I noted this morning at
17 the beginning of the business meeting, in addition to the
18 agenda that was distributed on May 5th, 2010, the Commission
19 will now take a vote to consider whether there exists a need
20 for immediate action on the following item, which is Item 25.
21 If the Commission determines that such a need exists, the
22 Commissioner may consider the following:

23 Item 25. State Energy Efficient Appliance Rebate Program/
24 California Cash For Appliances. Ms. White, could you please present
25 the information on the need for immediate action?

1 MS. WHITE: Yes, Madam Chair. And thank you,
2 Commissioners. This particular item needs your immediate action
3 because of the following reasons. We had identified some necessary
4 changes that needed to be made to improve the Cash for Appliances
5 Rebate Program on April 22nd. We issued at that time a Notice of
6 Availability of the changes to the Guidelines for this program, and
7 identified that this item would be available for the Commission's
8 consideration at the May 12th Business Meeting. Unfortunately, we
9 did not discover that the agenda published for that Business Meeting
10 did not include this item until after the agenda for the May 19th
11 business meeting had also been published, that date being May 5th.
12 In an effort to try and still bring forward for your consideration
13 the needed changes to the Guidelines, to address several issues, we
14 found that we needed to bring it under the flexibility provided
15 under Government Code Section 11125.3, for your immediate
16 consideration, and inclusion in this Business Meeting Agenda. And I
17 would ask that you find that immediate action is necessary at this
18 time.

19 MR. LEVY: And Chairman and Commissioners, just to clarify
20 that is Subdivision (A)(ii), and it requires that you determine
21 there is a need for immediate action, and that the need for the
22 action came to the attention of the Commission after the agenda was
23 published.

24 CHAIRPERSON DOUGLAS: Well, I think that Ms. White's
25 comments address the second point, but not the first point. I think

1 it would be helpful if you talk about the substance of those
2 changes and why it is actually time sensitive, why we would not just
3 roll this and notice it for the next agenda.

4 MS. WHITE: Yes, ma'am, I would be happy to. The item
5 before you is to address two major issues that were late breaking
6 and at the start of the program. As you know, the Appliance Rebate
7 Program includes a list of qualifying products. Immediately before
8 the beginning of our program, staff was informed that the Department
9 of Energy was going to regularly update their list of Energy Star
10 qualified appliances during the duration of our program. In
11 addition, we were informed by a major manufacturer that several
12 appliances were constrained in the market, and that the supply chain
13 issues would result in significant delays of consumers actually
14 obtaining appliances that they wished to purchase. We were also
15 informed that this manufacturer was bringing to the market several
16 new appliances that would otherwise qualify for our program. As a
17 result of addressing these issues, we needed to make some changes to
18 the Guidelines to allow us more flexibility in regularly updating
19 our list of qualifying appliances. This primarily, for the purpose
20 of the benefit to the consumers, right now, a major issue that has
21 emerged as a result of us not regularly updating our list of
22 qualifying appliances is confusion in the marketplace. These
23 products that would otherwise be eligible, consumers are very
24 interested in obtaining these, but because they are not on our list
25 per the restrictions in the current version of the Guidelines, they

1 are not eligible for a rebate under the program. We took as
2 quickly as possible the actions necessary to get notification out,
3 it was an unfortunate oversight that they did not actually show up
4 on the agenda for the May 12th Business Meeting, and we seek to
5 rectify that issue now. If you, in fact, approve this item, we will
6 be able to add numerous new appliances to our list, in particular,
7 42 distinct models of clothes washers, and 30 distinct models of
8 refrigerators, that meet this program's highest efficiency goals,
9 i.e., satisfies the Energy Star criteria, satisfies the Consortium
10 of Energy Efficiency, High Efficient Criteria Tier 2 and 3, and are
11 also certified for legal sale in California. With that, I would
12 like you to consider adding this item to the Agenda and, in fact,
13 approving this item today.

14 COMMISSIONER BYRON: We will consider the second item
15 first, I mean the second item second.

16 COMMISSIONER EGGERT: Actually, if I might just speak to
17 the first, I guess, test, or the first part of the need, having been
18 involved at least in the launch of this program, and having been
19 involved in some rather late night meetings right on the eve of the
20 launch, I can say that the new information that came from the DOE
21 and from, in particular, one supplier, despite having worked with
22 the suppliers for as much as six months prior to the launch of the
23 program, it was a bit of a surprise that they were unable to provide
24 an adequate supply of the models that we had anticipated being
25 available for the program. So, I think sort of the rationale, which

1 is that, you know, there is absolutely no backing away from
2 our very rigorous standards that we have applied to target the most
3 energy efficient products in the market, that still remains the
4 same; this is just expanding the offering and creating more consumer
5 choice within the program. And also, we do have additional funds
6 available, so we are expecting and hoping that consumers get out
7 there and take advantage of this expanded product offering going
8 forward in the program.

9 COMMISSIONER BYRON: So, Commissioner, adding this item to
10 the agenda at this time would move more energy efficiency appliances
11 into the program, more choices for consumers, more rebates more
12 quickly, it would seem to me that we would want to - there is no
13 down side to putting this item on the agenda for approval at this
14 time.

15 VICE CHAIR BOYD: Well, I would agree with Commissioner
16 Byron, Madam Chair. A forty or more consumer choice, and also there
17 is an equity issue here for appliance manufacturers who have created
18 appliances that meet the need that we consider the highest standard,
19 and they are not in the marketplace on a level playing field basis
20 with these others. So it would seem to me that both of those
21 connote some need for urgent action, I would say.

22 CHAIRPERSON DOUGLAS: Commissioners, I agree with you and
23 would also point out that because of supply chain issues with some
24 appliances that actually are on the list, there is also the element
25 of consumer frustration in some cases because there might be

1 appliances on the floor that would qualify if we were able
2 to update the list of qualifying appliances, which is what this
3 change would allow us to do, and lack of availability or long wait
4 times for the appliances that are on the list. So creating the
5 flexibility to update the list of eligible appliances, and, as you
6 will see from the proposed change, continuing to update it weekly
7 throughout the life of this program has the effect of encouraging
8 manufacturers to certify their appliances in our program, and
9 continuing to expand the choice of consumers for these high
10 efficient appliances.

11 COMMISSIONER BYRON: Madam Chair, I am convinced that the
12 public's interest is served by us adding this item to the agenda. I
13 would move that we add Item 25, State Energy Efficient Appliance
14 Rebate Program, as stated in the previous agenda where we did not
15 take this up?

16 CHAIRPERSON DOUGLAS: It was noticed for the Business
17 Meeting, but it was not - the Guideline changes were noticed, but
18 they were not put on the agenda, and so, because they did not go
19 through the process of getting on our agenda when we took up the
20 agenda, that item was not there.

21 COMMISSIONER BYRON: Well, I move we add it to the agenda
22 at this time for consideration.

23 COMMISSIONER EGGERT: And I will second.

24 CHAIRPERSON DOUGLAS: All in favor?

25 (Ayes.)

1 MR. LEVY: And just let the record reflect that
2 that was a unanimous vote. It requires a two-thirds vote.

3 CHAIRPERSON DOUGLAS: Thank you, Mr. Levy. At this point,
4 we will take up Item 25. State Energy Efficient Appliance Rebate
5 Program, California Cash for Appliances. Possible adoption of
6 changes to Program Guidelines to expand the list of qualifying
7 products that may qualify for rebates. Ms. White.

8 MS. WHITE: Well, I would just like to reference my
9 previous comments, that these changes are necessary to improve the
10 offerings available of these high efficient appliances to consumers,
11 so that their experience with our rebate program and their ability
12 to participate is expanded. It is also necessary to address some
13 supply chain issues that have resulted in consumer frustration and
14 confusion, and so I ask that you approve this item. If you have any
15 questions, I am more than happy to answer them at this time.

16 COMMISSIONER BYRON: Madam Chair, I saw the Notice from
17 DOE that came out shortly before, or right at the time we were about
18 to approve this item, and I was concerned how we were going to
19 handle that, and if it was going to delay our program; obviously, it
20 did not. We got it out on time. So I applaud the efforts of staff
21 and Commissioners to get that done. And this in my mind seems like
22 a very obvious addition at this time. I think Commissioner Eggert
23 wants to add something, but I am certainly in favor of approving
24 this item.

25 COMMISSIONER EGGERT: Actually, I do not have any

1 questions, other than just I think this has been a good
2 discussion. And the attention to this program has remained high, we
3 just did a whole other suite of new stories on it just last week,
4 and actually one of the main topics of the interest of those stories
5 was, "Are you going to extend the program? And, "Are you going to
6 expand the offerings?" So we were able to say that we were going to
7 be considering both of those items at the upcoming business meeting.
8 And the stories were generally positive as to the value of extending
9 the program and expanding the offerings, so it will be nice to be
10 able to report out if this is a successful vote. And I will second
11 the item.

12 MR. HERRERA: Gentlemen, before you consider this item, I
13 would like to make some comments on the record concerning CEQA, this
14 is a day for making comments on the record concerning CEQA. I am
15 Gabe Herrera with the Commission's Legal Office. When the
16 Commission staff proposes Guideline changes such as these, the Legal
17 Office reviews the Guidelines to determine whether they are a
18 project under CEQA; if so, if they require an environmental review,
19 and in this case, the proposed Guidelines are not a project under
20 CEQA, and the reason is they fall within the list of excluded
21 activities under Title 14 of the California Code of Regulations,
22 Section 15378(B)(ii) and (B)(iv) in that the activity relates to
23 general policy and procedure making, and the creation of
24 Governmental funding mechanisms, which do not involve any commitment
25 to any specific project which may result in a potentially

1 significant physical impact on the environment. In
2 addition, the adoption of the Guideline revisions is exempt under
3 CEQA for what is commonly known as a common sense exception in 14
4 CFR Section 15061(B)(iii). Thank you.

5 CHAIRPERSON DOUGLAS: Thank you.

6 COMMISSIONER BYRON: Commissioner Eggert, I have learned,
7 when Mr. Herrera approaches the table, to wait to move the item. I
8 want to make it clear, I do move this item.

9 COMMISSIONER EGGERT: Sorry for jumping the gun there.
10 And I will again second it.

11 COMMISSIONER WEISENMILLER: I just have one comment. I
12 think this is probably an example, I mean, we put in place to our
13 process a number of very complicated, innovative, cutting-edge
14 programs, and I think as we go forward, and if we learn from these,
15 we may have to do additional refinements over time to really, you
16 know, in a very quick and timely fashion, to respond to how the
17 market responds to these programs. So, again, this may be the first
18 of many times we have to make some sort of adjustments to really
19 achieve our objectives.

20 COMMISSIONER BYRON: But I hope, however, that the rebates
21 are all used up before we have to modify it again, this program.

22 COMMISSIONER WEISENMILLER: This one.

23 CHAIRPERSON DOUGLAS: Very well. We have a motion and a
24 second. All in favor?

25 (Ayes.)

1 This item is approved.

2 MS. WHITE: Thank you.

3 CHAIRPERSON DOUGLAS: Thank you.

4 Item 18. Minutes. 18A: Approval of the April 28th, 2010
5 Business Meeting Minutes.

6 COMMISSIONER EGGERT: I will move the item.

7 COMMISSIONER WEISENMILLER: I will second.

8 CHAIRPERSON DOUGLAS: All in favor?

9 (Ayes.)

10 VICE CHAIR BOYD: Abstention from myself.

11 COMMISSIONER BYRON: Abstention for Byron.

12 CHAIRPERSON DOUGLAS: This item is approved with
13 Commissioners Douglas, Eggert and Weisenmiller voting.

14 Item 18B: Approval of the May 12th, 2010 Business Meeting
15 Minutes.

16 VICE CHAIR BOYD: Move approval.

17 COMMISSIONER BYRON: Second.

18 CHAIRPERSON DOUGLAS: All in favor?

19 (Ayes.)

20 This item is approved.

21 Item 19. Commission Committee Presentations and
22 Discussion.

23 VICE CHAIR BOYD: I might just point out that last night I
24 had the very pleasant experience of representing the Commission at a
25 Commonwealth Club Town Hall Meeting in San Francisco, the topic of

1 which was petroleum oil, and, of course, everybody wanted to
2 talk about the spill, but over the course - and one of the panelists
3 was the new President of the Sierra Club, who I got to meet and talk
4 to. In any event, and an oil industry representative and an
5 entrepreneur who invests heavily in alternative fuels. Very
6 interesting experience, was able to talk a lot eventually about
7 efficiency, in the general sense, and efficiency of homes and
8 buildings. There were several, during the public question and
9 answer period, there were a lot of questions about the efficiency
10 issue, and it afforded a good opportunity, and I was very pleased to
11 see other panelists conversant on the topic and able to add to it,
12 so all in all, it was an interesting and enjoyable, if not late
13 night experience. And I think it forged a new relationship with the
14 President of the Sierra Club, which hopefully will be beneficial in
15 the future, because I had not met him before, and we were able to
16 discuss several issues, including contentious legislation that we
17 are dealing with. Anyway, good for all of us, and certainly good
18 for the Commission, and very good exposure to the many activities we
19 are involved in by yet another audience.

20 COMMISSIONER BYRON: Commissioner Boyd, that explains why
21 you were not at the Advanced Auto Technology Day last night and you
22 were missed there, by the way.

23 VICE CHAIR BOYD: Yes, you will have to tell me about the
24 remodeled Governor's Mansion.

25 COMMISSIONER EGGERT: I would just make one quick comment,

1 an update on the May is Bike Month. I am just going to give
2 again very quick stats. Just with respect to CEC as an agency,
3 collectively we have now accumulated over 5,675 miles. That
4 actually puts us 15th as an organization overall, and we are actually
5 third in medium-sized organizations, just behind REI, which is kind
6 of an unfair - given that they actually sell the product, and
7 Sacramento Air Quality Management District is just ahead of us with
8 6,398, so I think we should make an effort to beat the AQMD. And I
9 will stop there.

10 MR. LEVY: And who has the most miles, Commissioner?

11 COMMISSIONER EGGERT: Here in the Commission?

12 MR. LEVY: Yes.

13 COMMISSIONER EGGERT: So it is neck in neck between Don
14 Kondoleon and Steve Martinez. Don has 697 and Steve has 695, and
15 both of them are way way ahead of me.

16 MR. LEVY: Where is Karen Holmes?

17 COMMISSIONER EGGERT: She is actually in third place with
18 401 miles.

19 CHAIRPERSON DOUGLAS: Well, Commissioner, you have
20 inspired me to sign up and start logging my relatively puny
21 contribution to attempt to assist the Energy Commission in beating
22 the AQMD.

23 VICE CHAIR BOYD: I have seen Don Kondoleon on two
24 mornings in a row now, including this morning, huffing and puffing,
25 and going at an incredible rate of speed down the city street here,

1 so he looks like he is quite conditioned to put in lots of
2 miles. And I purposely went out of my way to make sure he had lots
3 of right of way.

4 CHAIRPERSON DOUGLAS: Item 20. Chief Counsel's Report.

5 MR. LEVY: Yes, thank you, Commissioners. I have three
6 items to report, one in public and two in closed session. The
7 public one relates to Program Opportunity Notice No. 401, remember,
8 that is our lawsuit by the Western Riverside Council of Government,
9 so I just wanted to let you know that the briefing is complete and
10 the hearing in court will be on Friday, and I will report further
11 after the hearing and I will let you know how that went and what the
12 status is. The other two items, which are for closed session, one
13 is pursuant to Government Code Section 11126(E)(2)(c)(i), which is
14 where, based on existing facts and circumstances, the Commission
15 should be deciding whether to initiate litigation. I am not at
16 liberty to disclose that item publicly, I will discuss it with you
17 in closed session, because it would be prejudicial to the body. The
18 other item is pursuant to Government Code 11126(E)(2)(a) and that is
19 a recent lawsuit against the Energy Commission by California
20 Communities Against Toxics vs. the Energy Commission and the South
21 Coast Air Quality Management District, and I will discuss that
22 further with you in closed session.

23 CHAIRPERSON DOUGLAS: Thank you, Mr. Levy. Item 21.
24 Executive Director's Report.

25 MS. CHANDLER: Yes, Commissioners, thank you. At

1 yesterday's California State Information Office of Counsel
2 Annual Awards Ceremony, the Energy Commission took home awards
3 celebrating excellence in State Government, Communications, and a
4 very special mention to one of our Commission employees. The
5 California Energy Commission's Webmaster, Bob Aldrich, was honored
6 with a special recognition for his 10 years of dedicated commitment
7 and service to that organization as their Webmaster. He was
8 surprised by the honor, and gratefully accepted, from more than 100
9 colleagues who gave him a standing ovation. His reward was a pair
10 of Grateful Dead cufflinks, a Grateful Dead shirt, and a clock that
11 he can put on his desk that said, "Webmaster Extraordinaire." And I
12 think for those of you who have worked with Bob know he is a
13 Webmaster Extraordinaire. He continues to serve the Energy
14 Commission staff on nights and weekends, he will post at any time of
15 the day or night if it needs to be done. He does not like to
16 encourage that behavior amongst staff, but he is totally willing to
17 do it because he knows the pressures and the deadlines that our
18 staff are under.

19 I also want to mention the accolades did keep coming. The
20 Energy Commission scored awards in five categories, one gold, two
21 silver, and two honorable mentions. The gold award was for
22 something near and dear to our hearts, it was the Opinion Category
23 for the Op Ed piece that was written on the proposed Energy
24 Efficiency Regulations for Televisions. And this is quite an honor
25 because it is very difficult to win in this category. Many of the

1 people who submit these opinion pieces are PR firms working
2 for state agencies, it is not always common for somebody with their
3 own home grown staff to win this level and this award. We also won
4 for the silver awards for the 2010 Energy Calendar, one of my
5 favorites, and the Public Private Partnership for the New Solar
6 Homes Partnership Sweepstakes. And that program leveraged \$900,000
7 in ad buys to - well, almost three times that amount, that is the
8 private side of that private/public partnership, and some great
9 recognition of our new Solar Home Partnerships. Honorable Mention
10 went to our Virtual Energy Education Center Outreach efforts, as
11 well as an educational DVD, and the media campaign for Go Solar
12 California. So we did well for being a small to middle agency, and
13 especially during these challenging times.

14 COMMISSIONER BYRON: That is fabulous. Peer awards are
15 just wonderful because they do not really have any other, let's say,
16 encumbrances associated with them. So congratulations to staff for
17 that.

18 MS. CHANDLER: Yes, so we have a terrific staff, we have a
19 really good staff, and a challenge in terms of getting all the good
20 word out on what we do here. I also wanted to talk a little bit
21 about ARRA. The U.S. General Accountability Office will be visiting
22 July 8th and I think I mentioned a couple weeks ago that they were
23 out reviewing our processes. This is a standard operating procedure
24 for them. And we will be learning more about what their response is
25 on our two programs, the State Energy Plan Program and the Energy

1 Efficiency Conservation Block Grant Program. They are
2 required by law to provide bi-monthly status reports to Congress on
3 the State ARRA activities. So you can see that ARRA, as I was
4 saying earlier, transparency, fraud, waste and abuse, and
5 accountability is key, and it is up at the very highest levels
6 related to Vice President Biden, who gets weekly reports, and
7 obviously Congress, who is continuing to monitor the progress in
8 terms of creating jobs and bringing back the economy.

9 We also will be holding an Energy Efficiency Conservation
10 Block Grant Program workshop on June 7th. Just because we signed all
11 those contracts and got all those contracts approved last week does
12 not mean that we are done, we have just begun in terms of the work
13 effort, working with some of these small local jurisdictions to make
14 sure that they understand the Davis-Bacon prevailing wage
15 requirements that go along with this money, the Buy America Act
16 requirements, and the Federal Procurement Provisions Standards for
17 local jurisdictions. So it will be a continuing education process
18 for them because this money came with more strings attached to it
19 and requirements than other Block Grant monies that they had
20 received.

21 And I wanted to give you a status report on Home Star,
22 where it is. It continues to move forward, this is the \$9 billion
23 jobs bill that will provide Energy Efficiency Retrofit funds for
24 residential customers. It will build on some of the projects that
25 you have already approved here, plus the Municipal Financing funding

1 projects that we are working with in terms of SEP. It is a
2 tremendous opportunity, should it happen. Right now, the two
3 Federal Bills, HR5019 and S3177 are both in Senate Finance, so they
4 are moving. We have a companion piece of State legislation, AB
5 2614, Perez, which is in Senate Appropriations right now. Much like
6 what we had to do when the ARRA legislation was passed, we needed
7 companion State legislation to be able to not only take the money,
8 but to be able to set up the program, given California Energy
9 Commission's responsibilities. The responsibilities that we would
10 have under Home Star, should it pass, are three; first is quality
11 assurance, we would need to develop and implement a quality
12 assurance program for both the Silver Star and the Gold Star levels.
13 The second area of responsibility, at least in one of the bills at
14 this time, is to implement a financing program for Energy Efficiency
15 Residential Retrofit, and the third, which was recently asked, was
16 the job training component. It is nice to be in a position where we
17 have expertise already on staff in each of these three areas.
18 Because of the wisdom and good judgment that you all have
19 implemented in terms of the programs that we are moving forward with
20 in ARRA dollars, not all states are as fortunate as we are in this
21 position. Gold Star presents more responsibility for us. The
22 rebates would be administered by the Federal Government, but the
23 quality assurance, the certification, and the financing and job
24 training are all a component of that program. Silver Star would be
25 administered by Rebate Aggregators, as they are called. The types

1 of entities that might be the Silver Star Administers are
2 either the large big box stores, or maybe local utilities that could
3 be a more local administrator. Silver Star would pay rebates of up
4 to \$3,000 for qualified proscriptive type energy efficiency
5 measures, Gold Star pays up to \$8,000 for rebates. So should the
6 program come, I think we are poised to be ready. It is kind of ARRA
7 all over again if it happens, but it is a tremendous opportunity for
8 California and for energy efficiency, so we are smiling.

9 CHAIRPERSON DOUGLAS: Thank you. Thank you for that
10 update and I appreciate that.

11 Item 22. Public Advisor's Report.

12 MS. JENNINGS: I have nothing to report. Thank you.

13 CHAIRPERSON DOUGLAS: Item 23. Is there any public
14 comment? I do not see any. Very well, we will move to closed
15 session.

16 (Whereupon, at 12:10 p.m., the business meeting was
17 adjourned.)

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